Lafayette Village Community Association

2025 BUDGET (BOARD APPROVED)

The Finance Committee has prepared and the Board of Directors has recommended the following budget for the fiscal year starting January 1, 2025. This budget assumes that HOA fees will increase approximately 2%. **The new amounts will be $405 per quarter for town homes and $207 per quarter for detached homes on Merrimac Trail.** This budget includes a Replacement Reserve Fund contribution of $116,919, recommended by the 2021 Reserve Study, plus an additional contribution of $23,374 to account for increased replacement costs. In addition, there is a transfer from Unappropriated Members Equity (UME) to Reserves in the amount of $46,801, which serves to reduce the UME to 10%-20% of annual assessment and bolster the reserve balance. The percentages provided in this budget refer to the variance between the 2024 budget and the 2025 budget.

LINE ITEM	2023 Budget	2023 Actuals	2024 YTD Jul 31	2024 Budget	2025 BUDGET		
					Budget Amount	% increase	Difference vs. 2024
Revenue							
Single Family Assessments	$ 16,212	$ 16,212	$ 12,789	$ 17,052	$ 17,388	2.0%	$ 336
Townhome Assessments	$ 444,528	$ 444,528	$ 350,154	$ 466,872	$ 476,280	2.0%	$ 9,408
Late Fees	$ 200	$ 1,067	$ 789	$ 500	$ 500	0.0%	$ -
Interest-Reserves	$ 7,000	$ 29,267	$ 19,683	$ 22,000	$ 40,000	81.8%	$ 18,000
Legal Fee Reimbursements	$ 500	$ -	$ -	$ -	$ -	N/A	$ -
Grants	$ -	$ -	$ 6,237	$ -	$ -	N/A	$ -
Miscellaneous Income	$ 300	$ 686	$ 663	$ 500	$ 500	0.0%	$ -
Garden Plot Income	$ 760	$ 880	$ 720	$ 800	$ 800	0.0%	$ -
Total Revenue	**$ 469,500**	**$ 492,639**	**$ 391,034**	**$ 507,724**	**$ 535,468**	**5.5%**	**$ 27,744**
Administrative Expenses							
Miscellaneous Administrative	$ 2,500	$ 1,887	$ 806	$ 2,500	$ 2,200	-12.0%	$ (300)
Community Events	$ 1,200	$ 1,279	$ 1,299	$ 1,200	$ 2,000	66.7%	$ 800
Management Fees	$ 50,076	$ 50,076	$ 29,941	$ 51,328	$ 52,611	2.5%	$ 1,283
Website/Newsletter	$ 2,300	$ 3,145	$ 2,096	$ 3,000	$ 500	-83.3%	$ (2,500)
Legal Fees	$ 10,000	$ 7,987	$ 5,068	$ 9,000	$ 9,000	0.0%	$ -
Audit/Tax Preparation	$ 4,700	$ 4,735	$ 5,238	$ 5,000	$ 5,500	10.0%	$ 500
Reserve Study/Professional Fees	$ -	$ -	$ -	$ -	$ 3,500	N/A	$ 3,500
Bad Debts	$ 1,000	$ (1,676)	$ 4,345	$ 100	$ 100	0.0%	$ -
Neighborhood Watch	$ 200	$ -	$ -	$ -	$ -	N/A	$ -
Meeting Support	$ 2,000	$ 2,100	$ 1,135	$ 2,400	$ 2,400	0.0%	$ -
Total Administrative Expenses	**$ 73,976**	**$ 69,533**	**$ 49,928**	**$ 74,528**	**$ 77,811**	**4.4%**	**$ 3,283**
Contract & Maintenance Expenses							
Trash Removal Contract	$ 76,000	$ 75,614	$ 46,037	$ 82,000	$ 88,000	7.3%	$ 6,000
Grounds Maintenance & Repair	$ 20,000	$ 2,846	$ 967	$ 10,000	$ 10,000	0.0%	$ -
Landscaping Contract	$ 84,193	$ 84,180	$ 50,328	$ 86,284	$ 89,032	3.2%	$ 2,748
Tree Maintenance	$ 7,000	$ 2,436	$ 6,982	$ 7,000	$ 7,000	0.0%	$ -
Emergency Tree Fund	$ 5,000	$ 4,000	$ 2,500	$ 5,000	$ 5,000	0.0%	$ -
Snow Removal	$ 11,741	$ -	$ 8,313	$ 10,000	$ 10,000	0.0%	$ -
Garden Expense	$ 500	$ -	$ -	$ 800	$ 800	0.0%	$ -
Tot Lot Maintenance	$ 850	$ -	$ 550	$ 850	$ 1,600	88.2%	$ 750
General Maintenance	$ 6,000	$ 6,266	$ 9,781	$ 8,000	$ 9,000	12.5%	$ 1,000
Total Contract & Maintenance Expenses	**$ 211,284**	**$ 175,341**	**$ 125,457**	**$ 209,934**	**$ 220,432**	**5.0%**	**$ 10,498**

LINE ITEM		2023 Budget	2023 Actuals	2024 YTD Jul 31	2024 Budget		2025 BUDGET		
							Budget Amount	% increase	Difference vs. 2024
Pool Expenses									
Pool Contract		$ 46,000	$ 46,748	$ 47,895	$ 47,895		$ 49,332	3.0%	$ 1,437
Pool Telephone		$ 660	$ 615	$ 363	$ 660		$ 700	6.1%	$ 40
Pool Electricity		$ 4,000	$ 3,437	$ 1,804	$ 4,000		$ 3,500	-12.5%	$ (500)
Pool Water		$ 4,700	$ 3,164	$ 1,248	$ 5,000		$ 6,000	20.0%	$ 1,000
Pool Gas		$ 200	$ 200	$ 104	$ 200		$ 200	0.0%	$ -
Pool Supplies & Maintenance		$ 6,000	$ 8,779	$ 8,478	$ 9,000		$ 10,000	11.1%	$ 1,000
Total Pool Expenses		**$ 61,560**	**$ 62,942**	**$ 59,891**	**$ 66,755**		**$ 69,732**	**4.5%**	**$ 2,977**
Utility Expenses									
Street Light Electricity		$ 1,800	$ 3,647	$ 1,514	$ 4,000		$ 3,200	-20.0%	$ (800)
Total Utility Expenses		**$ 1,800**	**$ 3,647**	**$ 1,514**	**$ 4,000**		**$ 3,200**	**-20.0%**	**$ (800)**
Fixed Expenses									
Taxes & Licenses		$ 2,000	$ 6,161	$ 8,140	$ 8,000		$ 9,000	12.5%	**$ 1,000**
Insurance		$ 14,000	$ 13,987	$ 8,285	$ 14,000		$ 15,000	7.1%	**$ 1,000**
Total Fixed Expenses		**$ 16,000**	**$ 20,148**	**$ 16,425**	**$ 22,000**		**$ 24,000**	**9.1%**	**$ 2,000**
Replacement Reserve Contributions									
Replacement Reserve Contribution^		$ 104,880	$ 104,880	$ 76,121	$ 130,493		$ 140,293	7.5%	$ 9,800
Total Replacement Reserve Contributions		**$ 104,880**	**$ 104,880**	**$ 76,121**	**$ 130,493**		**$ 140,293**	**7.5%**	**$ 9,800**
Total Operating Expenses		**$ 469,500**	**$ 436,491**	**$ 329,336**	**$ 469,500**		**$ 535,468**	**14.1%**	**$ 65,968**
Operating Surplus / (Deficit)		**$ (0)**	**$ 56,148**	**$ 61,698**	**$ (0)**		**$ -**		
Transfer to Reserves from Unappropriated Members Equity							**$ 46,081**		
Income after transfers							**$ (46,081)**		

LINE ITEM		2023 Budget	2023 Actuals	2024 YTD Jul 31	2024 Budget		2025 BUDGET		
							Budget Amount	% increase	Difference vs. 2024
CAPITAL RESERVE BUDGET									
Reserve Fund Balance									
Replacement Reserve Balance		$ 869,585	$ 869,585	$ 905,393	$ 905,393		$ 957,017		
Transfer from Members Equity		$ -	$ -	$ -	$ -		$ 46,081		
Reserve Fund Balance (Jan 1 of budget year)		$ 869,585	$ 869,585	$ 905,393	$ 905,393		**$ 1,003,098**		
Planned Reserve Fund Projects (Per Study)									
Property Site Elements									
Replacement Private Parking signs									
Asphalt Seal Coat / Rejuvenation					~~$ 46,000~~		$ 52,000		
Tree Management			$ 24,700	$ 12,014	$ 10,000		$ 10,000		
Basketball & Multipurpose Resurfacing		$ 25,000	$ 39,500						
Basketball Sport Coating and Line Painting				*$ 1,500*					
Retaining Walls, replacement		$ 150,000		$ 49,566	$ 75,000		$ 75,000		
Appraisals				$ 2,000					
New poles and lamps (6)		$ 30,000			~~$ 36,000~~		$ 36,000		
Playground				$ 1,050			$ 46,545		
Sidewalk Repair and Replace					~~$ 18,000~~		$ 50,000		
Pool Elements					$ 7,000				
Repairs			$ 4,872				$ 15,000		
Tile Replacement, Partial									
Pool Cover-Wading Pool		$ 2,000							
Total Planned Projects		**$ 207,000**	**$ 69,072**	**$ 66,130**	**$ 92,000**		**$ 284,545**		
Annual Reserve Contribution		$ 104,880	$ 104,880	$ 76,121	$ 130,493		$ 140,293		
Reserve Fund Balance (Projected as of Dec. 31)		**$ 767,465**	**$ 905,393**	**$ 915,384**	**$ 843,886**		**$ 858,846**		
Reserve Study Recommendation		$ 846,040	$ 846,040		$ 957,017		$ 788,357		
Project Backlog^							$ 100,000		
Surplus / (Deficit)		$ (78,575)	$ 59,353		$ (113,131)		$ (29,511)		

^ New as of 2025 budget, Project Backlog is an estimate of the cost of capital improvements recommended by the Reserve Study that have not yet completed. When comparing our actual Reserve balance to the projected balance in the Reserve Study, it's important to account for these unfinished and postponed projects.

Budget Assumptions and Considerations: CPI in January 2024 will be 3%. Prioritizing retaining wall replacement; Asphalt rejuvenation every 4-5 years will extend life past 20 years; Pool facilities are satisfactory.

The Replacement Reserve Fund is managed in accordance with the Reserve Study published in January 2021. The Study recommends annual contributions from the operating budget to sustain the infrastructure and capital property in the community. The projects outlined above are in line with recommended improvements and maintenance within the study, and the board has adopted this capital reserve budget as a part of the annual budget process.